

COMPANY DESCRIPTION

for

BERGTEAMET AB (PUBL)

**in relation to the application for admission to trading of
the Senior Secured Callable Zero Interest Bonds
2015/2020**

on

Nasdaq Stockholm First North Bond Market

22 June 2015

BERGTEAMET



First North Bond Market is an alternative marketplace operated by an exchange within the NASDAQ OMX group. Issuers on First North Bond Market are not subject to the same rules as Issuers on the regulated main market. Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an Issuer on First North Bond Market may therefore be higher than investing in an Issuer on the main market. At least during the application process Issuers - except for Issuers whose securities are already admitted to trading on a regulated market or a First North market - applying for admission to trading of fixed income instruments on First North Bond Market shall have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

IMPORTANT INFORMATION

This company description ("**Company Description**") relates to Bergteamet AB's (the "**Issuer**") application for admission to trading on Nasdaq Stockholm First North Bond Market of the Senior Secured Callable Zero Interest Bonds (the "**Bonds**"), as described in the Terms and Conditions (as defined below) applicable on the Bonds. This Company Description does not constitute a prospectus and has not been registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) nor does it constitute an offer to buy or sell the Bonds.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any other jurisdiction outside of Sweden. The Bonds may not be offered or sold within the United States (including its territories and possessions, any state of the United States and the District of Columbia) (the "**United States**") to, or for the account or benefit of, United States persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Each potential Holder must in light of its own circumstances determine the suitability of the investment. In particular, each potential Holder should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information which is contained in or incorporated by reference in this company description or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds or where the currency for principal or interest payments is different from the potential Holder's currency;
- (d) understand thoroughly the terms of the Bonds as set forth in the Terms and Conditions and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

DEFINITIONS

Unless otherwise defined herein, a term defined in the terms and conditions governing the Bonds (the "**Terms and Conditions**") has the same meaning when used in this Company Description.

TABLE OF CONTENTS

CLAUSE	PAGE
1. DESCRIPTION OF THE ISSUER.....	5
2. RISK FACTORS	7
3. FINANCIAL INFORMATION.....	15
4. LEGAL AND VARIOUS QUESTIONS.....	17
5. THE BONDS.....	21
6. DOCUMENTS INCORPORATED BY REFERENCE.....	24

1. DESCRIPTION OF THE ISSUER

1.1 Information on the Issuer

The issuer Bergteamet AB (the "**Issuer**"), corporate registration number 556524-0081 and registered address Box 13, 936 21 Boliden, Sweden, was founded on 30 December 1994 to conduct underground activities for the mining industry. According to the Issuer's articles of association, the business of the Issuer is to perform rock-work and reinforcement, lease of mining machinery, to own and manage shares and real estate, trade with securities and carry out activities adjacent thereto.

The Issuer primarily carries out mining activities in Sweden and operates under Swedish law. The other companies within the Issuer group mainly carry out activities abroad. Please see Section 1.3 below for a group chart.

1.2 Business model

The Issuer is a supplier of services to mining businesses primarily based in Sweden. The Issuer group's underground operations were during February 2015 assembled under one division. Under this division, there are two departments, namely Tunneling and Raiseboring. Raiseboring also comprise shaft works. Services related to maintenance are currently located under Tunnelling which have the purpose to carry out internal service.

All operations are carried out with modern technology and machinery. An important competitive edge for the Issuer is the highly specialised state of the art machine fleet operated by skilled the Issuer's employees. The Issuer's business model is to be leading in the supply of services to companies active in the mining business, both in and outside of Sweden.

The Issuer aims to be the market leading provider of services connected to underground activities and the Issuer's business concept has always been to constantly invest in the best available staff, machinery, equipment and methods. The vision of the Group is to be the market leading provider of services connected to underground activities, by representing a more cost efficient solution than any other alternative.

1.3 Tunneling, raiseboring and shaft works

Tunneling

The Issuer is a complete supplier of underground excavation services. The Issuer group provides a range of underground excavation services such as drilling, blasting, rock reinforcement and mucking and transport and offers its customers complete solutions for their excavation needs.

Raiseboring

The Raiseboring department was formed in 2005 when Bergteamet Holding AB (publ) acquired Skanska's raiseboring division and merged it with the Issuer group's existing capacity. Since then, the department has grown and expanded internationally at a high pace. The department has completed contracts in around 40 countries on six continents and was asked to take part in the rescue operation of the 33 trapped miners in the San José mine in Chile in 2010.

The raiseboring department is highly specialised in raiseboring. The major part of the raiseboring customers is within the mining sector and in hydropower projects, but there are also customers within infrastructure projects and other civil works. In close co-operation with the suppliers, the department has been able to substantially improve methods, tools and equipment to spearhead an entire industry.

Shaft works

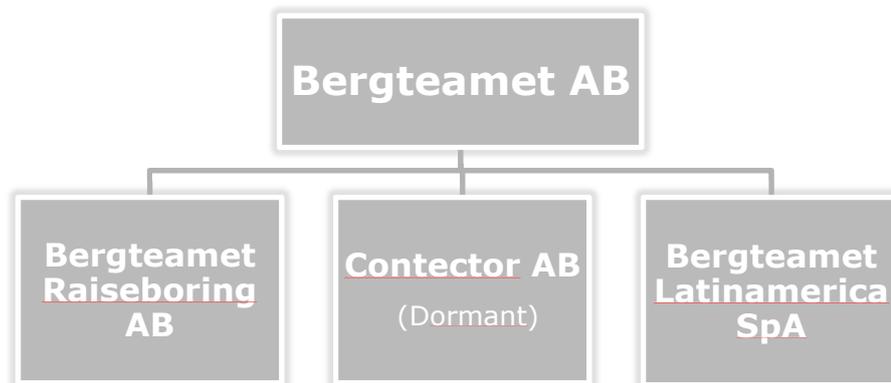
The business for shaft works focuses on the excavation from the surface of an opening in the earth. Shafts, which are generally vertical, are usually distinguished from tunnels, which are horizontal. Shaft sinking is a rather difficult development method due to the restricted space, the risk of groundwater leakage and the gravity.

The shaft sinking department performs a variety of manual labor underground including general service to shaft sinking, local rock reinforcement with manual bolting, mesh cladding and robotised shotcreting in shafts. A certain focus area is inspection and video documentation of shafts from a fully equipped service van.

1.4 Organisation

The Issuer is a relatively large corporation with approximately 290 employees as of 1st of May 2015. However, the Issuer has decided to decrease the number of employees and with effect from 1st September 2015 there will be 230 employees. The Board of Directors of the Issuer consists of Jan Marklund, Susanne Nygren och Magnus Broman. Jan Marklund is CEO of the Issuer and Susanne Nygren is chairman of the board.

The Issuer is a part of a group which has the focus of providing services to mining businesses. The Issuer has three subsidiaries, all of which are wholly owned. Bergteamet Raiseboring AB carries out mining activities primarily in India. Bergteamet Latinamerica SpA carries out activities primarily in Chile. The third subsidiary of the Issuer is Contector AB which is a dormant company. Please see below for a structure chart.



1.5 Significant market and competitive situation of the Issuer

The Issuer is active on a narrow market consisting of services to companies active in the mining industry. The narrow market has caused the competitive situation of the Issuer to be tough. The competitive situation is furthermore not enhanced by the decreasing metal prices, which affects the Issuer's profitability.

The largest competitor of the Issuer is Drillcon AB, Veidekke A/S and other companies active in the business of providing services to companies within the mining industry.

1.6 The application for admission to trading and use of the proceeds

The application is only made for admission to trading and the Issuer will not therefore generate any proceeds from the Bond issue. Please refer to Section 3.2 for information on the background to the application for admission to trading of the Bonds.

2. RISK FACTORS

Investing in the Bonds involves inherent risks. A number of risk factors and uncertainties may adversely affect the Issuer and the Issuer group. These risk factors include, but are not limited to, financial risks, technical risks, risks related to the business operations of the Issuer or the Issuer group, environmental risks and regulatory risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Issuer could be materially and adversely affected, which could have a material adverse effect on the Issuer's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Bonds. Other risks not presently known to the Issuer and therefore not discussed herein, may also adversely affect the Issuer of the Issuer group and adversely affect the price of the Bonds and the Issuer's ability to service its debt obligations. Potential holders of the Bonds should carefully consider carefully the information contained in this Company Description and make an independent evaluation before making an investment decision.

The risk factors below are not ranked in any specific order.

2.1 Risks relating to the Issuer

Indebtedness and rental obligations

The Issuer has a substantial amount of debt and debt service obligations. The total indebtedness of the Issuer as of 31 March 2015 would be approximately SEK 280,000,000 including of the bond loan.

The Issuer's substantial degree of leverage could have important consequences for a potential Holder, including the following:

- it may limit the ability to obtain additional debt or equity financing for working capital, capital expenditures, product development, debt service requirements or general corporate or other purposes;
- a portion of cash flows from operations will be dedicated to the payment of principal and interest on the indebtedness and will not be available for other purposes, including operations, capital expenditures and future business opportunities;
- it may limit the Issuer's ability to adjust to changing market conditions and place the Issuer at a competitive disadvantage compared to competitors that have less debt; and
- the Issuer may be vulnerable to a downturn in general economic conditions or in the business, or the Issuer may be unable to carry out capital spending that is important to its growth.

The Issuer's Group may be able to incur substantial additional indebtedness in the future, subject to the Terms and Conditions. If the Issuer incurs any additional indebtedness, the holders of that debt may be entitled to share rateably with a potential holder in any proceeds distributed in connection with any insolvency, liquidation, reorganisation, dissolution or other winding up of the Issuer. This may have the effect of reducing the amount of proceeds available to the Issuer and, therefore, paid to a potential holder. If new debt is added to the current debt levels, the related risks that the Issuer now face could intensify.

The ability to make payments or to refinance the Issuer's debt obligations depends on the financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond the Issuer's control. The Issuer cannot assure a potential holder that the Issuer will maintain a level of cash flow from operating activities sufficient to permit the Issuer to pay the principal, premium, if any, and interest on our indebtedness.

Credit risk

Holders of the Bonds carry a credit risk relating to the Issuer. The holder's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Issuer's operations and its financial position. The Issuer's financial position is affected by several factors of which some will be mentioned below.

Interest rate risk

The Issuer's operations are mainly financed by financial leasing contracts and working capital facilities provided by credit institutions. Interest expenses are therefore one of the main cost items of the Issuer. Interest rate risk is defined as the risk that changes in interest rates affect the Issuer's interest expenses. Interest expenses are mainly affected by the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Issuer's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and the Swedish Central Bank's (Sw. *Riksbanken*) repo rate (Sw. *reporäntan*).

Currency risk

The Issuer and the companies within the Issuer group have entered into certain contracts where invoices are denominated in Euro or in US Dollars or where the actual payments take place in Euro or US Dollars. This give rise to currency exchange risks since the Issuer's main operations are conducted in Swedish kronor. A currency exchange risk involves a risk for significant currency exchange rate movements, including devaluation and revaluation, as well as the risk for implementation or amendments to existing currency regulations. Changes in value of currencies will affect the value of the payment that the Issuer or the companies within the Issuer group receive. Moreover, governments and authorities can implement currency controls or currency regulations that will have an impact on the currency exchange rate. The currency exchange risk could therefore have a negative effect on the Issuer's financial position.

Risk of lack of investment capital

The Issuer's business requires significant capital expenditure including significant on-going investment to purchase or lease machinery and maintain existing machinery. If capital is not available when required, there is a risk that the Issuer will not be able to meet its contractual undertakings with customers and that machinery may deteriorate due to poor maintenance or not be fit for their purpose which, in each case, may have an adverse effect on the Issuer's financial position and result.

To the extent that the Issuer do not generate sufficient cash from the operations, the Issuer will need to raise additional funds through public or private debt issuances to execute the growth strategy and make the capital expenditures required to successfully operate the business. General market volatility and adverse economic conditions may increase the cost of raising money in the credit markets substantially as many lenders and institutional investors, concerned about the stability of the financial markets generally and about the solvency of counterparties, may increase interest rates, apply tighter lending standards and reduce and, in some cases, cease to provide funding, to borrowers. Such factors may also adversely impact the Issuer's access to working capital, non-recourse factoring and/or other financing alternatives.

Risks relating to profitability

The Issuer's profitability is directly related to demand for services relating to mining and the metal prices. Because of the significant expenses related to financing of machinery, human resources, insurance and maintenance facilities, a substantial portion of the operating expenses are fixed and must be paid even when the machinery is not actively used to service customers and thereby generating income. Any depressed level of business activity could result in a decrease in turnover without any substantial decrease in expenses. A decrease in turnover could therefore result in a disproportionately higher decrease in earnings, as a substantial portion of operating expenses would remain unchanged which could have a material adverse effect on the Issuer's business, financial condition and results of operation.

Furthermore, if the Issuer misjudges the pricing of its products and services to its customers it may affect the turnover, financial position and earnings of the Issuer. Moreover, the Issuer may not be able to keep its costs at a minimum. Furthermore, the Issuer's ability to manage its sales function and relations to customers are key factors for the Issuer to be successful in its business. Improper pricing, rising costs or decline in sales may affect the Issuer's net sales, earnings and financial position.

Equity

Any net losses in the Issuer may impact the Issuer's solidity which could affect the Issuer's reputation among suppliers as well as the Issuer's ability to raise financing and make new investments. This could have a negative effect on the Issuer's operations, earnings and financial position.

Ability to service debt

The Issuer's ability to service its debt will depend upon, among other things, the Issuer's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Issuer's control. If the Issuer's operating income is not sufficient to service its current or future indebtedness, the Issuer will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Issuer may not be able to affect any of these remedies on satisfactory terms, or at all.

Agreements with key customers

The revenue of the Issuer does to a large extent derive from strategic customers with whom the Issuer has longstanding relations. Although a framework agreement regulating prices for common services has been entered into with one of the Issuer's key customers, agreements are generally entered into for a specific project. There are no firm purchase commitments in the framework agreements with these customers. Instead, purchase commitments by the customers are based on purchase orders made under the framework agreements from time to time or under separate local agreements. A number of the agreements may be prematurely terminated by the customer giving three to six month notice period, imposing a commercial risk which could affect expected contract revenues. Furthermore, there is a commercial risk that customers do not continue to place purchase orders to the extent.

Competition

The Issuer is active on a narrow market consisting of services to companies active in the mining industry. The narrow market entails that there is a limited number of companies that assign the Issuer as a subcontractor. The competition on the market is also enhanced by the decreasing metal prices. Even though the Issuer currently is contracted by large

corporations in the mining industry, there are competitors on the market which potentially could obtain market positions if they set the prices for their services at levels which compete with the Issuer's. In such case, the operations and the financial situation of the Issuer could be negatively affected.

Liability for damages

The Issuer works closely with its customers by performing services within the customers' operations which may impose an increased risk exposure by causing damages to the customers' equipment and premises. The coverage of the Issuer's insurance has an immediate effect on the risk exposure and insufficient coverage, both in general and for specific projects requiring insurance protection, may result in liability and cash-out event(s) for the Issuer.

Operating and maintenance costs and technical risks

Mining activities are generally associated with costs for operations and maintenance. Unexpected and extensive maintenance or repair needs in relation to machinery which are borne by the Issuer, increases in operating costs, the partial or total loss of capacity of machinery could all have a significantly negative effect on the Issuer's earnings, cash flows, financial position, reputation and result.

Raw material prices

Some of the Issuer's purchase agreements relating to raw material do not provide for fixed prices while other agreements (for example relating to wear parts on machines such as cutters and pilot crowns) do. If the price for raw materials increase and such materials or products do not have pre-agreed prices, the Issuer's ability to recover increased costs through higher pricing may be limited if the relevant agreement does not include a raw material price index clause. Volatile pricing of raw materials, and long term increases in raw material prices, can have an adverse effect on the Issuer's turnover, financial position and earnings.

Majority owner

The Issuer is currently controlled by one principal shareholder, whose interest may conflict with those of the holders of the Bonds, particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. The majority shareholder will be given the power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgement, could enhance their equity investments, although such transactions might involve risks to the holders of the Bonds. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Issuer and/or the Issuer group. If such an event were to arise this may adversely impact the Issuer's operations, financial position and results.

Risk of conflicts of interest

Save as set out below, none of the members of the Board of Directors or Management has a private interest or other duties resulting from their directorship of other companies, enterprises, undertakings or otherwise, that may be in conflict with the interests of the Issuer.

However, each of board members Jan Marklund and Susanne Nygren both indirectly own 50 per cent. of the shares in the Issuer. Given that Jan Marklund and Susanne Nygren both indirectly are owners of the Issuer, no conflicts of interest in relation to the Issuer exist. A conflict of interest may on the other hand arise in relation to the holders of the

Bonds if the Issuer encounters difficulties or is unable to pay its debts as they fall due, since Jan Marklund and Susanne Nygren could vote for or transactions or activities that, in their judgement, could enhance their equity investments, although such transactions might involve risks to the holders of the Bonds.

Risks relating to subsidiaries of the Issuer

The Issuer has two operating subsidiaries, Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA, which are carrying out operations in India and Chile respectively. The financial results in Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA has during the past years been strongly negatively affected due to a combination of factors. Among other factors, the subsidiaries' poor market analyses, lack of understanding for culture and working conditions as well as the lack of powerful project management in combination with the customers inability to plan in advance which in turn cause cessation of work, is causing Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA substantive financial losses. Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA are actively working to eliminate factors that are causing financial losses. However, if Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA are unsuccessful in eliminating such factors, financial losses will continue to arise which negatively will affect the financial positions of the Issuer and the Issuer group.

Key personnel

The Issuer is dependent upon a number of key employees who have been engaged in the Issuer and the Issuer group for a long time and have together developed the day-to-day operations and system within the Issuer. These personnel also have a comprehensive knowledge of the industry in general and of the Issuer in particular. If such key personnel leave the Issuer in the future, or take up employment with a competing business, it could have a negative effect on the Issuer's operations, earnings and financial position. A loss of key personnel could also jeopardise the Issuer's clandestine know how and therefore affect the Issuer's competitive position. There is a risk that the Issuer is not able to recruit new, qualified personnel to the extent that the Issuer wishes.

Work stoppages or strikes

The majority of the Issuer's employees are members of unions, and most of the employees who work at the manufacturing facilities are covered by collective bargaining agreements. The Issuer may encounter strikes or other disturbances occasioned by the Issuer's unionised labour force. Also, upon the expiration of existing collective bargaining agreements, the Issuer may be unable to reach new collective bargaining agreements on satisfactory terms or without work stoppages, strikes or similar industrial actions. The Issuer's inability to negotiate satisfactory terms for new agreements would likely cause the Issuer's labour costs to increase, which would negatively affect profit margins if the Issuer is unable to pass the additional costs on to its customers.

Disputes

The bankruptcy administrator of Bergteamet Holding AB (publ), being the Issuer's former parent company, has directed a claim towards a subsidiary of the Issuer, Bergteamet Raiseboring AB. The claim amounts to approximately SEK 1,750,000 and regards unpaid management fees. If Bergteamet Raiseboring AB does not pay the claim, a dispute could potentially arise which could have a negative effect on the financial position of the Issuer since the Issuer may be required to cover such claim.

Moreover, it cannot be excluded that the Issuer or a company within the Issuer group in the future may become involved in disputes or other legal proceedings. The involvement in disputes or other legal proceedings would be detrimental to the Issuer and its financial position since the Issuer would be required to direct resources, both monetary and time

and energy from management and staff, either to pursue a dispute or to defend itself in a dispute.

Environmental

The services provided to the Issuer's customers are subject to environmental restrictions and the Issuer has to comply with the customer's environmental permits in order to conduct contracted work for its customers. The Issuer carries out manufacturing business, which may impose risks relating to pollution or contaminations on land or water and similar environmental risks. In general, the Issuer will be responsible for the remediation of any environmental contaminations on the Issuer's premises (both owned and leased), which, depending on the type and magnitude of the contaminations, may be costly. Also, the Issuer might become liable for contaminations on former sites where it has operated its business, either due to applicable laws or because of environmental warranties given under lease agreements or divestment agreements. If environmental liability is not regulated in the customer agreements, the Issuer may be held liable for contaminations which occur while performing contracted work on customer's premises. Costs associated with pollution and contaminations could have a negative effect on the Issuer's operations and financial position.

Compliance with existing laws and regulations

The Issuer and the entities within the Issuer group operate their businesses in different countries and must accordingly observe a number of different regulatory systems in the jurisdictions where the Issuer or the Issuer's subsidiaries are active. Services conducted in several jurisdictions require permits, imposing dependency to contractually allocate the obligation to obtain necessary permits with the customers rather than the Issuer. Ensuring compliance with such laws, regulations and permits could affect the Issuer's business, financial position and results. The Issuer's business includes such activities to which special attention should be paid in respect of work environment, regulated in Sweden by the Work Environment Act (Sw. *arbetsmiljölagen*) as well as various ordinances issued by the supervisory authority, the Swedish Work Environment Authority (Sw. *Arbetsmiljöverket*). The Issuer has limited centralised legal and compliance functions as well as limited established methods to ensure compliance which involves risks of a failure to comply with laws, regulations and permits which could affect the Issuer's business, financial position and results.

Changes in legislation

A number of legislations and regulations, relating to inter alia safety requirements, environmental matters, taxes, franchising or leasing arrangements affect the business conducted by the Issuer. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales, which could have an adverse effect on the Issuer's business and results of business operations. Changes in legislation may affect the business of the Issuer's customers and thus the sales, earnings and financial position of the Issuer.

Bankruptcy

If one or several of the above stated risk factors would materialise the Issuer's financial position would be negatively affected. If the negative impact is substantial, there can be no assurance that the Issuer will be able to absorb such losses and restructure its business such that it will remain solvent.

2.2 Risks relating to the Bonds

Credit risk

Holders of the Bonds carry a credit risk relating to the Issuer. The holders' ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Issuer's operations and its financial position. The Issuer's financial position is affected by several factors of which some will be mentioned below.

Ability to comply with the Terms and Conditions for the Bonds

The Issuer is required to comply with the Terms and Conditions. Events beyond the Issuer's control, including changes in the economic and business conditions in which the Issuer operates, may affect the issuer's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions.

Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debts is dependent on the conditions of the debt capital markets and its financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Issuer's business, financial condition and results of operations and on the recovery of holders' of the Bonds under the Bonds.

Risks relating to Euroclear Sweden's clearing and settlement

The Bonds are affiliated to Euroclear's account-based system and no physical notes have or will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear Sweden's book-entry system as well as repayment of the Nominal Amount. Investors are therefore dependent on the functionality of Euroclear Sweden's account-based system.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the Securities Act, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is the bondholder's obligation to ensure that the offer and sale of Bonds comply with all applicable securities laws.

Secured obligations

Although the obligations under the Bonds are secured by a first priority share pledge over the shares in the Issuer, the Issuer cannot assure that the proceeds of any enforcement sale of the shares would be sufficient to satisfy all amounts then due on or in respect of the Bonds. If the Issuer is subject to any winding-up, liquidation or other bankruptcy or insolvency proceedings the shares that are pledged may then have limited value since the Issuer's obligations must first be satisfied, potentially leaving little or no remaining assets for the holders of the Bonds. As a result, the holders of the Bonds may not recover any or full value in the case of an enforcement sale.

In addition, the value of the shares subject to the pledge may decline over time and to the extent that the bondholders do not have secured claims, certain debts and claims (for example, costs and expenses of a liquidator or a bankruptcy administrator and certain payments to employees) must, pursuant to relevant insolvency laws, be paid in priority to other debts and claims.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results, financial condition or prospects.

Risks related to early redemption

Under the Terms and Conditions the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount. There is a risk that the Issuer will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds.

3. FINANCIAL INFORMATION

3.1 Financial reports

The audited annual accounts for the years 2014 and 2013 regarding the Issuer is incorporated hereto by reference. No semi-annual accounts have been produced by the Issuer.

The Issuer has provided the financial information for the Issuer and the Issuer group as per 30th April 2015 and as per 31st December 2014. The financial information below has been provided internally and has not been audited or otherwise reviewed by the Issuer's auditor.

Balance sheet	The Issuer group		The Issuer	
	2015-04-30	2014-12-31	2015-04-30	2014-12-31
Assets				
Fixed assets	321 024	261 033	303 295	257 132
Current assets	172 248	280 380	175 084	288 193
Total assets	493 272	541 413	478 379	545 325
Debt and equity				
Equity	72 810	172 998	26 608	119 414
Deferred assets	0	0	82 267	81 872
Provision	32 328	18 012	0	0
Long term liabilities	203 845	106 482	203 845	106 482
Current liabilities	184 289	243 921	165 659	237 557
Total debt and equity	493 272	541 413	478 379	545 325

3.2 Financial trend for the two most recent years

The general financial trend for the Issuer during the past two years has been characterised by a challenging market for the Issuer's products and services. The mining companies' levels of investment in the short term and midterm have been low which has put the Issuer under pressure, both in terms of volumes and margins.

During 2013 and 2014, Bergteamet Holding AB (publ), the former parent company of the Issuer, struggled with bad financial results due to a decrease in demand for mining services, an overcapacity of personnel, a decrease in metal prices, a decrease in income and similar circumstances. During the fall of 2014 and the beginning of 2015, Bergteamet Holding AB (publ) actively worked to receive capital contributions from institutional owners. The process could however not be completed. The holders of Bergteamet Holding AB (publ)'s bond loan of SEK 500,000,000 declared during the afternoon on 22 February 2015 the bond loan due to immediate payment and assumed, by enforcement of pledge, all the shares in the Issuer. The shares in the Issuer were subsequently acquired by Högkammen AB. A new bond loan was issued by Bergteamet AB (publ) to the former bond holders on 22 April 2015 which amounts to SEK 200,000,000. Bergteamet Holding AB (publ) subsequently entered into bankruptcy on 24 February 2015.

The bankruptcy of the former parent company entailed that the Issuer overtook the part of the group account that Bergteamet Holding AB had utilised, which amounts to approximately SEK 135,000,000. Additionally, the Issuer's debt of SEK 55,000,000 to Bergteamet Holding AB was converted to a shareholder contribution. These two factors entail that the Issuer's equity was negatively affected by SEK 80,000,000 at the start of 2015.

The new shareholder in the Issuer, Högkammen AB, made significant capital contributions of SEK 40,000,000 to the Issuer following the acquisition of the shares in the Issuer. The board of directors in the Issuer has taken further steps in terms of rationalisation and cost savings to create better ways to sustainably develop the Issuer's business segments.

The steps that have been taken to rationalise the Issuer's business and to save costs are:

- Termination of local collective agreements;
- Termination of persons employed under collective agreements;
- Termination of white collar employees;
- Wage reductions of white collar employees;
- Cutbacks in consulting support;
- Reorganisation. The MEC division has been reduced and only a small part remains to provide internal services. Media montage has been incorporated in the production area of Raiseboring to ensure increased efficiency among staff. The Issuer is also looking into temporary employment opportunities to decrease costs related to employees.
- Reorganisation has led to a decrease in the need for premises which have decreased the Issuer's rent.
- The business of Bergteamet Raiseboring AB and Bergteamet Latinamerica SpA has incurred substantial losses. Steps are taken to restructure these businesses.

Regarding the demand for the Issuer's services, requests for new assignments have increased during the second quarter of 2015.

3.3 Relevant accounting laws

The Issuer's annual accounts are made in accordance with the Annual Reports Act (Sw. *Årsredovisningslagen 1995:1554*) and the standards of the Swedish Accounting Standards Board (Sw. *Bokföringsnämnden*). The recommendations made by the Council for Financial Reporting (Sw. *Rådet för finansiell rapportering*) are applied to leased assets and to audit of income in construction firms. Since the Issuer is a subsidiary applicable accounting laws does not require the Issuer to include consolidated accounts for the other subsidiaries in the Issuer group.

4. **LEGAL AND VARIOUS QUESTIONS**

4.1 Liability statement of the Board of Directors

The Board of Directors declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

4.2 The Board of Directors of the Issuer

The board of directors of the Issuer consists of Jan Marklund, Susanne Nygren and Magnus Broman. Jan Marklund became a member of the board of directors on 23 February 2015 and subsequently CEO on 10 April 2015 and Susanne Nygren, who is chairman of the board, and Magnus Broman became members of the board of directors on 10 April 2015.

4.3 Management of the Issuer

The management of the Issuer consists of Jan Marklund (CEO), Lena Karlsson (CFO), Magnus Broman (CHRO), Hans Henriksson (Marketing Manager) and Ulf Stenberg (Contract Manager).

4.4 Previous positions of members of the board of directors and the management

Jan Marklund

Jan Marklund is the founder of the Issuer group which was established in 1999. Jan Marklund is an educated mining professional and has a wide range of experience as board member and chairman of the board of several companies such as Jama Mining Machines AB and Norr-Don Aktiebolag.

Susanne Nygren

Since April 2015, Susanne Nygren is the chairman of the board of the Issuer. Previously, Susanne Nygren was a member of the board of the Issuer between 1999 and 2010. Susanne Nygren also has further experience as board member and deputy board member of several other companies, such as Högkammen Fastigheter AB and Flötningen Skog AB. She has an education within economics and has previously worked at Deloitte.

Magnus Broman

Magnus Broman is since July 2013 employed by the Issuer as HR Manager. Prior to obtaining the position as HR Manager, Magnus Broman held the position as HR Developer in the Issuer between 2011 and 2013 and Magnus Broman was also a member of the management in Bergteamet Holding AB (publ) between 2013 and 2015. Magnus Broman has also worked as site manager at MiROi i-learning between 2009 and 2011 and as a consultant manager at Lernia Bemanning AB between 2007 and 2009.

Lena Karlsson

Lena Karlsson is employed as chief financial officer in the Issuer. Between 2010 and 2015 Lena Karlsson was employed as business controller in the Issuer. Between 1990 and 2010, Lena Karlsson worked for Deloitte as an accountant. Lena Karlsson was a certified accountant between 2002 and 2010. Between 2001 and 2005 Lena Karlsson also worked as head of operations and person responsible for the management in Deloitte Skellefteå. In 2008 Lena Karlsson became a member of the management in Deloitte Stockholm Audit.

Hans Henriksson

Since January 2015, Hans Henriksson is employed as market director in the Issuer which entails global responsibility for the Issuer's marketing and sale and key account responsibility. Hans Henriksson is also head of negotiations in large tenders and leads an internal efficiency and cost project. Previously, Hans Henriksson was employed as market director and partner in QML Europe AB between March 2014 and December 2014, as area manager in Stena Recycling AB between January 2012 and August 2014 and as raw materials director at BA Smelters, Boliden Commercial AB, between June 2009 and December 2011. Further, Hans Henriksson has broad experience as board member and chairman of the board.

Ulf Stenberg

Since April 2015, Ulf Stenberg is employed as contract manager in the Issuer which entails responsibility for all operational personnel and responsibility for the machinery. Ulf Stenberg is therefore responsible for the Issuer's activities relating to Tunneling, Raise Boring and Shaft. Previously, Ulf Stenberg was employed as site manager in the Issuer between April 2004 to October 2013.

4.5 Bankruptcy and fraud related convictions relating to members of the board of directors and management

Jan Marklund was a member of the board of directors and the management in Bergteamet Holding AB (publ), the former parent company of the Issuer until early autumn in 2014. Jan Marklund had therefore left his positions approximately six months prior to the start of the bankruptcy proceedings in Bergteamet Holding AB (publ).

Magnus Broman was a member of the management in Bergteamet Holding AB (publ) between July 2013 and February 2015. Magnus Broman was therefore a member of the management of Bergteamet Holding AB (publ) when it entered into bankruptcy. Please see Section 4.6 below for more information about the bankruptcy in Bergteamet Holding AB.

No other members of the board of directors or members of the management of the Issuer have been involved in any historical or on-going bankruptcies, liquidations or similar procedures during the past five years. Moreover, no members of the board of directors or the management of the Issuer have within the past five years been convicted of or are currently involved in any fraud related proceedings.

4.6 Ownership structure and shareholdings in the Issuer

The Issuer has three wholly owned subsidiaries, please see structure chart under section 1.3. The Issuer is in turn a wholly-owned subsidiary of Högkammen AB. Högkammen AB is in turn owned by Jan Marklund, born in 1964, and Susanne Nygren, born in 1966, who are cohabiting and who each indirectly owns 50 per cent. of the shares in the Issuer as of the date of this Company Description. As described above, Jan Marklund and Susanne Nygren are members of the board of directors in the Issuer. Jan Marklund is also member of the management of the Issuer.

4.7 Previous and new shareholdings in the Issuer and thereto related matters

The previous owner of the Issuer, Bergteamet Holding AB, during the end of 2014 and the beginning of 2015 actively sought capital from institutional owners and also sought to make changes to the terms and conditions governing the bonds that previously had been issued. The process could not be completed, which meant that bondholders on 22 February 2015 realised the share pledge with the subsequent sale of the shares in the Issuer. The shares were sold to Högkammen AB. On the following day, 23 February 2015, Bergteamet Holding AB filed for bankruptcy, which was granted by Skellefteå District

Court on 24 February 2015. A bankruptcy administrator has been appointed and the bankruptcy process is on-going.

4.8 Transactions with certain affiliated parties

The Issuer has not entered into any transactions with persons discharging managerial responsibilities in the Issuer, board members, affiliates to board members major owners or any other company within the Issuer's group.

4.9 Material contracts

The Issuer has entered into two lease agreements with Nordea Bank AB (publ) regarding cars and machinery. Per 31st March 2015 the debts amounted to SEK 7,000,000 and SEK 100,000,000 with an interest rate of STIBOR plus 2.1 per cent on each loan respectively. The Issuer is, however, exempted from repaying the lease agreements during the year of 2015.

The Issuer has also entered into a lease agreement with Atlas Copco Customer Finance AB regarding lease of machinery. Per 31st March 2015 there was a residual debt of SEK 26,000,000. The interest payable under the lease agreement amounts to 2.3 per cent. plus Stibor 30 days. The Issuer is however exempted from repaying the lease agreements during the year of 2015.

Moreover, Nordea Bank AB (publ) has issued bank guarantees in the amounts of SEK 425,000 for which the Issuer pays an interest rate of 2 per cent. per annum, EUR 50,000 for which the Issuer pays an interest rate of 1 per cent. per annum and EUR 480,000 for which the Issuer pays an interest rate of 2 per cent. per annum in favour of certain customers of the Issuer.

With regard to the sale of the Issuer from Bergteamet Holding AB (publ), represented by Nordic Trustee & Agency AB (publ), to Högkammen AB and with regard to the issuance of the Bonds, Högkammen AB is obliged to pay the subscription price for the Bonds in two instalments. The first instalment of SEK 40,000,000 was subsequent to Högkammen AB's acquisition of the shares in the Issuer. The second instalment of SEK 60,000,000 shall be paid to the Issuer within the earlier of (i) the conclusion that the seller Bergteamet Holding AB (publ) has no claims on the Issuer or Högkammen AB, or (ii) four years from the sale of the Issuer. The second instalment has not yet been paid and it is not possible to give an exact date of when such payment will take place, since the payment is dependent on the bankruptcy process in Bergteamet Holding AB (publ).

4.10 Annual meeting and publication of financial reports

Following Högkammen AB's acquisition of shares in the Issuer, the Issuer has in June 2015 made a change to its financial year. The Issuer's financial year has been changed from 1st January - 31st December to 1st September - 31st August. The current financial year will be shortened to cover the period 1st January 2015 to 31st August 2015.

The first annual meeting following the application for trading of the Bonds will therefore take place within 6 months from 31st August 2015. The Issuer will, however, publish an annual report comprising the eight months ending on 31st August 2015 within three months from said date. Moreover, the Issuer will publish a semi-annual report comprising the six months ending on 30th June 2015 within 2 months from said date.

4.11 Other relevant information

The Issuer is not involved in any disputes and is not subject to any particular decisions from the Swedish Tax Authority regarding tax which may have a negative impact on the Issuer's or the Issuer group's financial position or profitability.

4.12 Identity of Certified Adviser

Remium Nordic AB, with registration number 556101-9174 and registered address Kungsgatan 12-14, 111 35 Stockholm will act as Certified Adviser. The agreement with the certified advisor will remain valid until the day of admittance to trading.

4.13 Identity of the initial news distributor

The Issuer will initially engage Globe Newswire as news distributor. The Issuer reserves the right to change news distributor should it wish to do so.

5. THE BONDS

5.1 Description of the Bonds and the Terms and Conditions

The aggregate amount of the bond loan will be SEK 200,000,000 which will be represented by Bonds, each of a nominal amount of SEK 100,000 (the "**Nominal Amount**") or full multiples thereof. The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Bonds does not bear any interest. The ISIN of the Bonds is SE0006886883.

As continuing security for the due and punctual fulfilment of the Issuer's obligations under the Finance Documents, Högkammen AB shall pledge on a first ranking basis to the Agent and the Holders (represented by the Agent) all shares in the Issuer pursuant to the Share Pledge Agreement. The share pledge over the shares in the Issuer shall be valid until the end of the Security Period.

The Bonds are freely transferable. All Bond transfers are subject to the Terms and Conditions and the Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

5.2 Ranking

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu and without any preference among them. The Bonds are secured by the transaction security.

5.3 Description of rights attached to the Bonds

Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day, on the Business Day following from an application of the Business Day Convention) with an amount per Bond equal to the Nominal Amount.

Early voluntary redemption by the Issuer

Subject to the Terms and Conditions, the Issuer may redeem all, but not only some, of the outstanding Bonds in full on any Business Day before the Final Redemption Date with an amount per Bond equal to the Nominal Amount.

Early voluntary redemption shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Holders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

Voluntary partial repayment

The Issuer may also voluntarily repay any amount (rounded off to a multiple of SEK 1,000) of principal debt outstanding on each Bond, but not only some of the Bonds, on any Business Day, at a price equal to 100.00 per cent. of the repaid Nominal Amount, resulting in partial repayment of all Bonds by way of reduction of the Nominal Amount of each Bond pro rata. The Issuer shall give not less than fifteen (15) Business Days' notice of the repayment to the Agent and the Holders.

In order to carry out a voluntary partial repayment, the Issuer shall give not less than fifteen (15) Business Days' notice of the repayment to the Agent and the Holders.

5.4 Description of limitations to the Bonds

Subject to the Terms and Conditions, no Group Company may purchase Bonds unless a Change of Control Event or Listing Failure has occurred, each as defined in the Terms and Conditions.

The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The Issuer is entitled to any funds set aside for payments in respect of which the Holders' right to receive payment has been time-barred and has become void.

5.5 Guarantee of the Issuer's obligations under the Bonds

There is no party guaranteeing the obligations of the Issuer under the Bonds. However, as security for the Issuer's obligations under the Bonds, Högkammen AB, being the Parent of the Issuer, will pledge all shares in the Issuer as a first priority pledge pursuant to the Share Pledge Agreement for benefit of the Holders of the Bonds. Such share pledge will constitute the Transaction Security.

The Agent will, where applicable, hold the Transaction Security on behalf of itself and the Holders in accordance with the Terms and Conditions and the Share Pledge Agreement. The Transaction Security shall be released by the Agent at the end of the Security Period. However, in case the Issuer fails to fulfil its obligations under the Bonds, the Agent on behalf of the Holders may enforce the pledge in accordance with the Terms and Conditions and the Share Pledge Agreement.

5.6 Assets backing the Bonds

The Bonds are not asset-backed securities.

5.7 Representation of Holders of the Bonds

The Holders will be represented by the Agent which initially will be Nordic Trustee & Agency AB (publ), with corporate registration number. 556882-1879, and address P.O. Box 7329, SE-103 90 Stockholm, Sweden. The Agent shall represent the Holders in accordance with the Finance Documents and treat all Holders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Holders, other than as explicitly stated in the Finance Documents.

When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Holders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

By subscribing for Bonds, each initial Holder appoints the Agent to act as its agent and security agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Holder. By acquiring Bonds, each subsequent Holder confirms such appointment and authorisation for the Agent to act on its behalf.

Each Holder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Holder which does not comply with such request.

For representation of the Holders, an Agent Agreement will be entered into between the Issuer and the Agent. The Agent Agreement will be available for review of Holders' of the Bonds at the Issuer's registered address Box 13, 936 21 Boliden, Sweden.

5.8 Credit ratings assigned to the Issuer

The Issuer or the Bonds have not been assigned any credit ratings.

6. **DOCUMENTS INCORPORATED BY REFERENCE**

6.1 The following documents are incorporated to this Company Description by reference:

- (a) The annual report for the Issuer for the financial year ended 2014;
- (b) The annual report for the Issuer for the financial year ended 2013; and
- (c) Terms and Conditions applicable to the Bonds.